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AIR FORCE SYMPOSIUM
DEVELOPMENTS IN THE SOVIET UNION:
IMPLICATIONS FOR U.S. INTELLIGENCE
21 OCTOBER 1988

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THE THEME OF CHANGE IN THE SOVIET UNION HAS BEEN MUCH IN THE MEDIA IN RECENT MONTHS AS WE HAVE WATCHED THE EFFORTS OF MIKHAIL GORBACHEV TO MODERNIZE THE SOVIET ECONOMY AND CONSOLIDATE HIS POLITICAL POWER. KNOWLEDGE OF RUSSIAN WORDS SUCH AS "PERESTROIKA" AND "GLASNOST" HAS BECOME COMMONPLACE IN THE WEST. WITHOUT PARALLEL IN A GENERATION, DEVELOPMENTS IN THE SOVIET UNION HAVE CAPTURED THE INTEREST, AND IN SOME RESPECTS THE IMAGINATION, OF A WIDE AUDIENCE AROUND THE WORLD. YOUR CONFERENCE, THE ENORMOUS ATTENDANCE, AND THE QUALITY OF PARTICIPANTS IS INDICATION OF THE LEVEL OF ATTENTION.

AS YOU PRESUMABLY HAVE HEARD TODAY, CHANGES IN PERSONNEL AND POLICY IN THE SOVIET UNION ARE TAKING PLACE FAR FASTER THAN IMPLEMENTATION OF THOSE POLICIES AND REAL CHANGE IN THE SYSTEM. EVEN SO, WHILE ACTUAL STRUCTURAL CHANGES IN SOVIET UNION HAVE SO FAR BEEN MODEST, WHAT GORBACHEV ALREADY HAS SET IN MOTION REPRESENTS A POLITICAL EARTHQUAKE. HE IS PULLING ALL THE LEVERS OF CHANGE IN A SOCIETY AND CULTURE THAT HISTORICALLY HAS RESISTED CHANGE -- AND WHERE CHANGE USUALLY HAS BEEN



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VIOLENT AND WRENCHING. THE FORCES HE HAS UNLEASHED ARE POWERFUL, BUT SO ARE THE PEOPLE AND INSTITUTIONS HE HAS ANTAGONIZED -- THUS SETTING IN MOTION A TREMENDOUS POWER STRUGGLE AND PURGE NO LESS DRAMATIC FOR THE ABSENCE OF SHOW TRIALS AND TERROR.

WE ARE IN AN EXTRAORDINARY PERIOD IN HISTORY. THE TUMBRELS ARE ROLLING IN MOSCOW; POLICIES A HALF-CENTURY OLD ARE BEING OVERTURNED; UNREST STALKS THE CAUCASUS; THERE IS TALK OF SECESSION IN THE BALTIC STATES; A REVOLUTION FROM ABOVE HAS BEEN LAUNCHED WITH NO ASSURANCE IT WILL SUCCEED. MEANWHILE, ONE READS IN THE NEWSPAPERS OF PEACE BREAKING OUT ALL OVER. AND, TO BE SURE, WE HAVE SEEN A REMARKABLE CHANGE IN THE RELATIONSHIP BETWEEN THE UNITED STATES AND THE SOVIET UNION OVER THE PAST YEAR OR SO, CULMINATING IN THE SIGNING OF THE TREATY ON INTERMEDIATE RANGE NUCLEAR FORCES AND CONTINUING NEGOTIATIONS IN A VARIETY OF OTHER FORUMS. WE ARE SEEING A SIGNIFICANT IMPROVEMENT IN RELATIONS BETWEEN THE SOVIET UNION AND CHINA. WE SEE THE SOVIETS WITHDRAWING FROM AFGHANISTAN, AND WE BELIEVE THAT THAT WITHDRAWAL WILL CONTINUE. WE HAVE SEEN THE SOVIETS APPEARING TO PLAY A CONSTRUCTIVE ROLE IN NEGOTIATIONS WITH RESPECT TO CAMBODIA AND ANGOLA. WHAT ARE WE TO MAKE OF IT ALL?

IT IS A FACT, AS ANY POLICYMAKER WILL TELL YOU, THAT INTELLIGENCE LOOKS AT THE WORLD THROUGH A UNIQUELY GLOOMY



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PRISM. INDEED, IT HAS BEEN SAID THAT WHEN AN INTELLIGENCE OFFICER SMELLS FLOWERS, HE LOOKS AROUND FOR A COFFIN. BUT IT IS OUR JOB IN INTELLIGENCE TO LOOK BEHIND THE FACADE -- BEHIND THE HEADLINES -- AND TO TRY TO DISCERN REALITY. MOVEMENT TOWARD NEGOTIATED SOLUTIONS TO INTERNATIONAL TENSIONS AND HOT SPOTS SURELY IS WELCOME, JUST AS ARE INITIATIVES IN THE SOVIET UNION THAT WE HOPE MIGHT ULTIMATELY POINT IN THE DIRECTION OF GREATER OPENNESS, PLURALISM, STRATEGIC STABILITY AND INTERNATIONAL TRANQUILLITY. BUT THESE TRENDS, AND PARTICULARLY THE PUBLICITY AND ATMOSPHERICS ATTENDANT TO THEM, MUST NOT BLIND US TO REALITY. I WANT TO SPEAK BRIEFLY TO YOU ABOUT SOME OF THESE REALITIES AS WE LOOK AT DEVELOPMENTS IN THE SOVIET UNION AND THE IMPLICATIONS FOR INTELLIGENCE REQUIREMENTS.

THE MILITARY

THE FIRST REALITY IS THE CONTINUING EXTRAORDINARY SCOPE AND SWEEP OF SOVIET MILITARY MODERNIZATION AND WEAPONS RESEARCH AND DEVELOPMENT. DESPITE SOVIET RHETORIC, WE STILL SEE NO SLACKENING OF THEIR WEAPONS PRODUCTION OR PROGRAMS, AND SOVIET RESEARCH ON NEW WEAPONS CONTINUES APACE. AS THE RATE OF GROWTH OF OUR DEFENSE BUDGET DECLINES, THEIRS CONTINUES TO GROW, ALBEIT SLOWLY. VIRTUALLY ALL OF THEIR PRINCIPAL STRATEGIC WEAPONS WILL BE REPLACED WITH NEW, MORE SOPHISTICATED SYSTEMS BY THE MID-1990S, AND A NEW STRATEGIC BOMBER IS BEING ADDED TO THEIR ARSENAL FOR THE FIRST TIME IN DECADES. THEIR DEFENSES



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AGAINST US WEAPONS ARE BEING STEADILY IMPROVED, AS ARE THEIR CAPABILITIES FOR WAR-FIGHTING.

WE SEE A RAPID PACE OF SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT ON NEW AND EXOTIC SOVIET WEAPONS, MANY OF THEM BASED ON NEW PHYSICAL PRINCIPLES. I INCLUDE AMONG THESE NEW HIGH EXPLOSIVES, RANGING FROM ENHANCED BLAST MUNITIONS TO REACTIVE SURROUND WARHEADS TO FUEL AIR EXPLOSIVES. THESE WEAPONS, WITH ENORMOUSLY ENHANCED POWER AND HIGH ACCURACY, CAN HAVE THE ROUGH EQUIVALENT OF LOW YIELD NUCLEAR WEAPONS, AS FORESHADOWED BY MARSHAL OGARKOV. WE ARE SEEING ADVANCES IN SOVIET WORK ON PRECISION GUIDED MUNITIONS, AND CAN SEE THE DAY IN WHICH TECHNOLOGY DEVELOPMENTS IN VERY HIGH SPEED INTEGRATED CIRCUITS, MICRO-ELECTRONICS, ADVANCED IMAGE PROCESSING, AND SPECIAL COMPOSITE MATERIALS CAN LEAD TO "BRILLIANT" PRECISION GUIDED MUNITIONS WITH NEAR ZERO CEP AND HIGH RELIABILITY. THE SOVIETS LEAD THE U.S. IN THE DEVELOPMENT IN MANY AREAS OF HYPERVELOCITY IMPACT WEAPONS, AS WELL IN CERTAIN AERODYNAMIC AND NAVAL ADVANCED PROPULSION TECHNOLOGIES.

UNDERSTANDING THESE DEVELOPMENTS IS CRUCIAL TO U.S. INTERESTS. IN THESE AND OTHER NEW TECHNOLOGIES, COLLECTION AND ANALYSIS REQUIREMENTS WILL POSE ENORMOUS CHALLENGES TO US. LET ME GIVE YOU FOUR EXAMPLES:



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-- THE DEVELOPMENT OF DIRECTED ENERGY WEAPONS, FOR BOTH TACTICAL AND STRATEGIC USE, EITHER ON THE GROUND OR IN SPACE, REQUIRES THE DEVELOPMENT OF NEW COLLECTION SYSTEM CAPABILITIES.

-- DEVELOPMENTS IN THE AREA OF HIGHLY ACCURATE NAVIGATION TYPIFIED BY THE GLONASS SPACE BASED NAVIGATION SYSTEM IN THE SOVIET UNION ARE MAKING INCREASINGLY ACCURATE AND RELIABLE MOBILE WEAPONS SYSTEMS POSSIBLE. AS THESE TECHNOLOGIES ADVANCE AND MOBILE SYSTEMS REACH THE PERFORMANCE LEVELS OF SILO-BASED SYSTEMS, COLLECTION SYSTEMS MUST DEAL WITH STRATEGIC TARGETS WHICH ARE MORE DIFFICULT TO LOCATE AND IDENTIFY AND ARE DEPLOYED ON A VARIETY OF BROADLY DISTRIBUTED PLATFORMS.

-- CURRENT COLLECTION SYSTEMS ARE NOT ADEQUATE FOR THE DETECTION OF CHEMICAL AND BIOLOGICAL WARFARE ACTIVITIES, NOT JUST IN THE USSR BUT TO HELP COPE WITH THE WORLDWIDE PROLIFERATION OF THESE WEAPONS. NEW TECHNIQUES FOR DETECTING GENETICALLY ALTERED SUBSTANCES AND TRACING THEM TO THEIR SOURCE WILL BE NEEDED.

-- FINALLY, REDUCED OBSERVABILITY OF CERTAIN WEAPONS SYSTEMS OBVIOUSLY MAKES COLLECTION MORE DIFFICULT. IN A RELATED AREA, COLLECTION AGAINST COUNTER LOW



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OBSERVABLE SYSTEMS REQUIRES PRECISION AND DETAIL IF EFFECTIVE COUNTERS ARE TO BE DEVELOPED. OUR ASSESSMENT OF SOVIET LOW OBSERVABLE SYSTEMS AND ABILITY TO ACCURATELY CHARACTERIZE THE THREAT TO OUR OWN SYSTEMS DEPEND UPON OUR ABILITY TO IMPROVE COLLECTION AND ANALYSIS CAPABILITIES.

NEEDLESS TO SAY, THESE DEVELOPMENTS IN SOVIET WEAPONS AND DELIVERY SYSTEMS WILL GREATLY COMPLICATE THE JOB OF ARMS CONTROL MONITORING, WHICH IS SHAPING UP IN THE CURRENT PERIOD AS ONE OF THE MOST DIFFICULT TASKS OF THE INTELLIGENCE COMMUNITY.

ARMS CONTROL

WE WILL FACE A SIGNIFICANT IMPACT ON INTELLIGENCE REQUIREMENTS AS A RESULT OF TREATY MONITORING RESPONSIBILITIES. DURING THE NEXT FIVE YEARS, ARMS CONTROL TREATIES COULD BE COMPLETED OR UPDATED ON STRATEGIC WEAPONS, A THRESHHOLD TEST BAN, PEACEFUL NUCLEAR EXPLOSIONS, DEFENSE AND SPACE, CHEMICAL WEAPONS AND CONVENTIONAL ARMS. EACH OF THESE WILL PRESENT SPECIAL MONITORING CHALLENGES TO THE INTELLIGENCE COMMUNITY TO DETERMINE WHETHER THE SOVIETS ARE COMPLYING WITH PROVISIONS OF THE TREATIES. IN ADDITION TO THE CONSTELLATION OF NATIONAL TECHNICAL MONITORING TOOLS WE HAVE TODAY, WE WILL HAVE MORE ADVANCED SYSTEMS, AND THESE WILL BE AUGMENTED BY ON SITE AND TECHNICAL INSPECTION TECHNIQUES.



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OUR EXPERIENCE WITH MONITORING OF PREVIOUS AGREEMENTS, BOTH RATIFIED AND UNRATIFIED, AND OUR RECENT EXPERIENCE WITH ONSITE MONITORING OF THE INF TREATY AND THE JOINT VERIFICATION EXPERIMENT, LEAD US TO CONCLUDE THAT ONLY THROUGH SYNERGISTIC USE OF ALL OF OUR TECHNIQUES WILL WE BE ABLE TO MEET OUR MONITORING OBLIGATIONS. THE MONETARY COST OF MONITORING ARMS CONTROL IS, AND WILL BE, SIGNIFICANT. HIGH TECHNOLOGY AND SPACE BASED SYSTEMS ARE EXTREMELY EXPENSIVE, BUT WILL BE ABSOLUTELY NECESSARY IN AN ARMS CONTROL WORLD WHERE MILITARILY SIGNIFICANT CHEATING COULD GAIN THE EDGE FOR AN ADVERSARY IN NUCLEAR, CHEMICAL OR CONVENTIONAL ARMS. MOREOVER, THESE RESOURCES ARE OUR ONLY INDEPENDENT MEANS FOR ASSESSING COMPLIANCE WITH TREATY PROVISIONS.

ON SITE INSPECTION AND OTHER COOPERATIVE MEASURES WILL ADD SUBSTANTIALLY TO THE NATION'S MONITORING AND VERIFICATION CAPABILITIES. THESE HAVE THEIR COSTS AND LIMITATIONS, HOWEVER. THEY REQUIRE THE COOPERATION OF THE SIGNATORIES AND THEREFORE CAN BE CUT OFF OR INTERFERED WITH AT ANY TIME. FURTHERMORE,WE MUST BE PREPARED TO ACCEPT THE SAME INTRUSIVENESS WE EXPECT THE OTHER SIDE TO ACCEPT. IN THE ON SITE WORLD, WE MUST BE PREPARED TO RISK EXPOSURE OF OUR MOST SENSITIVE PUBLIC AND PRIVATE TECHNOLOGIES IF WE WANT SIMILAR ACCESS ELSEWHERE. THE COUNTERINTELLIGENCE RISKS OF SOVIET INSPECTORS IN THE U.S. CANNOT BE OVERLOOKED.



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LET ME SAY A WORD ABOUT SPECIFIC MONITORING TASKS.

-- WITH RESPECT TO START, NATIONAL TECHNICAL MEANS WILL REMAIN OUR PRIMARY MONITORING TOOL, ALTHOUGH SUPPLEMENTED WITH ON SITE INSPECTION. ON SITE INSPECTION WILL PROVIDE A COUNTER CHECK AND MORE DIRECT ACCESS TO AFFIRM OUR TECHNICAL ESTIMATES AND FORCE ASSESSMENTS. MOBILE MISSILES ARE PARTICULARLY DIFFICULT FOR US TO MONITOR. IT WILL TAKE A COMBINATION OF NATIONAL TECHNICAL MEANS AND ON SITE INSPECTIONS, AND OTHER COOPERATIVE MEASURES, TO DEAL WITH THIS AND, EVEN THEN, THERE WILL BE PROBLEMS. AS STRATEGIC SYSTEMS GET SMALLER, AS IN THE CASE OF CRUISE MISSILES, OUR CHALLENGE WILL BECOME EVEN GREATER. START WOULD ALSO REQUIRE US TO MONITOR A PRODIGIOUS ARRAY OF WEAPONS SYSTEMS AND FACILITIES. THE INF TREATY GIVES THE UNITED STATES THE RIGHT TO CONDUCT INSPECTIONS AT 117 SOVIET FACILITIES, BUT START COULD INVOLVE AS MANY AS 2500. UNDER THESE CIRCUMSTANCES, THE STRAIN ON EXISTING U.S. NATIONAL TECHNICAL COLLECTION RESOURCES WILL BE ENORMOUS. ACCORDINGLY, WE MUST ANTICIPATE THE NEED FOR NEW AND IMPROVED TECHNICAL COLLECTION CAPABILITIES TO MEET THE DEMANDS OF ARMS CONTROL AND STRATEGIC FORCE MONITORING WITH INCREASED RELIANCE ON AUTOMATED SYSTEMS FOR TASKING AND EXPLOITING THESE ASSETS.



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-- IN THE NUCLEAR TESTING ARENA, OUR WELL-ESTABLISHED NATIONAL TECHNICAL MEANS WHICH DEPEND ON SEISMIC DATA, WILL BE AUGMENTED BY CORRTEX, THE U.S. METHOD FOR HYDRODYNAMIC MEASUREMENT OF NUCLEAR TEST YIELDS.

-- CHEMICAL WEAPONS PRESENT AN EXTREMELY DIFFICULT MONITORING CHALLENGE FOR US. NATIONAL TECHNICAL MEANS CAN ONLY DO SO MUCH. THERE ARE FEW SIGNATURES FOR PRODUCTION AND STORAGE OF CHEMICAL WEAPONS, AND LITTLE ON THE HORIZON THAT WILL HELP US SUBSTANTIALLY IN THIS AREA.

-- CONVENTIONAL ARMS CONTROL ALSO WILL ALMOST CERTAINLY BE ON THE AGENDA IN THE NEXT US ADMINISTRATION. WE EXPECT THE NEXT FIVE YEARS TO BE A PERIOD OF DYNAMIC CHANGE IN SOVIET THEATER FORCES. THE SOVIETS SEE A NEED TO RESPOND WITH NEW SYSTEMS AND ORGANIZATIONAL CHANGES TO A REVOLUTION IN MILITARY TECHNOLOGY THAT THREATENS THEIR ADVANTAGE IN GROUND FORCES. AT THE SAME TIME, THE LEADERSHIP HAS CALLED FOR POLITICAL SOLUTIONS TO SECURITY PROBLEMS THAT RESULT IN THE NEED FOR SOVIET FORCES TO APPEAR LESS THREATENING BUT NO LESS CAPABLE. AT THE SAME TIME, THE LEADERSHIP WILL BE LOOKING FOR WAYS TO REDUCE THE WEIGHT OF THE DEFENSE BURDEN. SUCH DEVELOPMENTS IN CONVENTIONAL FORCES WILL PRESENT US WITH NEW CHALLENGES FOR COLLECTION AND ANALYSIS:



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- WE MUST BE ABLE TO DISTINGUISH CHANGES IN RESPONSE TO NEW TECHNOLOGIES FROM THOSE THAT MIGHT RESULT FROM ANY CHANGE IN DOCTRINE OR ECONOMIC PRIORITIES.

- BECAUSE THE GEOGRAPHIC AREA TO BE COVERED IN THE NEW ARMS CONTROL TALKS IS SO LARGE, ALL OF EUROPE FROM THE ATLANTIC TO THE URALS, WE MUST INCREASE OUR DETAILED ANALYTIC EFFORT ON THE SOVIET FORCES OUTSIDE OF CENTRAL EUROPE, WHICH WAS THE MORE LIMITED FOCUS OF THE MBFR TALKS.

- AND IF AN AGREEMENT ON REDUCTION OF CONVENTIONAL FORCES IS ACHIEVED, IT WILL REQUIRE SUBSTANTIALLY INCREASED COLLECTION AND ANALYTICAL RESOURCES TO SUPPORT MONITORING AND ON SITE INSPECTION OF HUNDREDS OF INSTALLATIONS.

POLITICAL AND ECONOMIC DEVELOPMENTS

BEYOND WEAPONS DEVELOPMENT, PROCUREMENT, AND DEPLOYMENT PROBLEMS, BEYOND ARMS CONTROL, IS THE CHALLENGE OF UNDERSTANDING AND RESPONDING TO NEW REQUIREMENTS IN THE TURBULENT SOVIET INTERNAL AND FOREIGN POLICY ARENAS. THE SOVIET UNION IS IN THE MIDST OF ITS GREATEST UPHEAVAL AND



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PERIOD OF CHANGE IN OVER HALF A CENTURY. GORBACHEV SEEKS TO ALTER DRAMATICALLY THE ECONOMIC, POLITICAL AND SOCIAL FACE OF THE SOVIET UNION. THIS IS TO BE DONE WHILE OUTMANEUVERING HIS POLITICAL RIVALS, CONTAINING DOMESTIC UNREST, INCREASING THE REGIME'S LEGITIMACY, MAINTAINING ECONOMIC AND MILITARY STRENGTH, AND PRESERVING MOSCOW'S SUPERPOWER STATUS.

A KEY REQUIREMENT FOR US IS TO ESTABLISH REALISTIC CRITERIA BY WHICH WE CAN JUDGE IN THE COMING MONTHS AND YEARS WHETHER POLITICAL AND ECONOMIC CHANGE IN THE SOVIET UNION IS GENUINELY RESHAPING THE FOUNDATIONS OF THE SYSTEM -- OR WHETHER THE TOTALITARIAN STRUCTURE OF THE SOVIET UNION, INCLUDING THE INSTRUMENTS OF CENTRAL CONTROL AND REPRESSION, ENDURES DISCREETLY IN THE SHADOWS, AVAILABLE AT THE BECKON OF GORBACHEV'S SUCCESSOR, OR EVEN FOR GORBACHEV.

BEYOND THIS NEED TO KEEP OUR PLACE, OUR PERSPECTIVE, ARE OTHER CHALLENGES. GLASNOST AND THE SHEER VOLUME OF INTERNAL CHANGE HAS RESULTED IN AN INFORMATION OVERLOAD THAT REQUIRES GREATER RESOURCES TO SIFT THROUGH AND PICK OUT THE MOST SALIENT ITEMS. THE INCREASING AVAILABILITY OF INFORMATION TO THE PRESS PROVIDES US WITH A CHALLENGE TO SORT OUT WHAT IS ACCURATE, AS WELL AS TO COME UP WITH UNIQUE SOURCES OF INFORMATION THAT GIVE US A BETTER UNDERSTANDING OF THE DYNAMICS AT WORK.



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IN FOREIGN POLICY, THE CONTINUED PURSUIT OF SOVIET OBJECTIVES AND PROTECTION OF SOVIET CLIENTS IN THE THIRD WORLD WILL REMAIN CENTRAL. UNDER GORBACHEV THE SOVIETS AND CUBANS LAST YEAR PROVIDED JUST OVER $900 MILLION IN ECONOMIC AND MILITARY ASSISTANCE TO NICARAGUA. IF PRESENT TRENDS CONTINUE, A SIMILAR AMOUNT WILL END UP GOING TO MANAGUA THIS YEAR. MORE THAN $4 BILLION WORTH OF SOVIET MILITARY EQUIPMENT AND ECONOMIC ASSISTANCE WAS PROVIDED TO VIETNAM, LAOS, CAMBODIA IN 1987 AND AID IS CONTINUING TO RUN HIGH THIS YEAR. AS FAR AS ANGOLA IS CONCERNED, MORE THAN $5.5 BILLION IN MILITARY EQUIPMENT HAS BEEN SENT SINCE 1984. CUBA, FOR ITS PART, CONTINUES TO DEPEND ON A STEADY SUPPLY OF BILLIONS OF DOLLARS WORTH OF SOVIET ECONOMIC AID AND MILITARY ASSISTANCE EVERY YEAR. AT A TIME OF ECONOMIC STRESS AT HOME, THESE COMMITMENTS SPEAK CLEARLY ABOUT SOVIET PRIORITIES. HOWEVER, WE MUST ALSO ANTICIPATE SOVIET PRESSURE ON CLIENTS TO USE THIS HELP MORE EFFICIENTLY, TO REDUCE OR AT LEAST CONSTRAIN FURTHER GROWTH IN SOVIET ASSISTANCE. OUR ABILITY TO TRACK THIS MILITARY AND ECONOMIC HELP AND THE POLITICAL RELATIONSHIPS WILL CONTINUE TO BE A DIFFICULT PROBLEM.

IN THE THIRD WORLD, THE SOVIETS WILL SEEK TO TAKE ADVANTAGE OF ANY RELAXATION OF US VIGILANCE OR CONSTANCY. THE INCREASED PRESENCE OF SOPHISTICATED, TALENTED, LINGUISTICALLY QUALIFIED SOVIETS IN THE THIRD WORLD WILL OFFER THEM INCREASED



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OPPORTUNITIES TO APPROACH LOCAL POLITICIANS AND GROUPS AND WILL REQUIRE REDIRECTED AND POSSIBLY ADDITIONAL COLLECTION RESOURCES. AS THE SOVIET OVERT POLICY IN THE THIRD WORLD BECOMES MORE SOPHISTICATED, SO TOO WILL THEIR COVERT ACTIVITIES. WE WILL NEED TO DEVOTE MORE ATTENTION AND EFFORT TO SOVIET ACTIVITIES TO INFLUENCE CLANDESTINELY POLITICAL DEVELOPMENTS IN A WIDE RANGE OF COUNTRIES FRIENDLY AND/OR IMPORTANT TO THE UNITED STATES.

ANOTHER ELEMENT OF GORBACHEV'S FOREIGN POLICY IS NEW AND DYNAMIC DIPLOMATIC INITIATIVES TO WEAKEN TIES BETWEEN THE US AND ITS WESTERN ALLIES, CHINA, JAPAN, AND THE THIRD WORLD; TO PORTRAY THE SOVIET GOVERNMENT AS COMMITTED TO ARMS CONTROL AND PEACE; AND TO SUGGEST MOSCOW'S INTEREST IN DIPLOMATIC SOLUTIONS TO THIRD WORLD PROBLEMS. WE CAN AND SHOULD EXPECT OTHER NEW AND BOLD INITIATIVES, PERHAPS INCLUDING UNILATERAL CONVENTIONAL FORCE REDUCTIONS THAT WILL SEVERELY TEST ALLIANCE COHESION. SIMILARLY, NEW INITIATIVES WITH CHINA AND JAPAN SEEM LIKELY IN AN EFFORT TO OVERCOME BILATERAL OBSTACLES TO IMPROVED RELATIONS AND TO EXPLOIT PROBLEMS BETWEEN THEM AND THE US.

ARMS CONTROL AND OTHER NEW INITIATIVES ALSO ARE INTENDED TO BREAK SOVIET FOREIGN POLICY OUT OF LONGSTANDING TACTICAL DEADENDS AND TO MAKE THE SOVIET UNION A MORE EFFECTIVE, FLEXIBLE AND VIGOROUS PLAYER THROUGHOUT THE WORLD. THE FOREMOST EXAMPLES OF THIS ARE THE CHANGES IN THE SOVIET



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POSITION ON INF AND THEIR DECISION TO WITHDRAW FROM AFGHANISTAN. THE RESULT IS LIKELY TO BE A SOVIET POLITICAL CHALLENGE TO THE US ABROAD THAT COULD POSE GREATER PROBLEMS FOR OUR INTERNATIONAL POSITION, ALLIANCES AND RELATIONSHIPS IN THE FUTURE THAN THE HERETOFORE ONE DIMENSIONAL SOVIET MILITARY CHALLENGE. WE MUST BE PREPARED FOR GREATER SOVIET FLEXIBILITY. CONSIDERABLE NEW THINKING AND AGILITY WILL BE NEEDED ON OUR OWN PART TO ANTICIPATE AND UNDERSTAND SOVIET INITIATIVES.

COUNTERINTELLIGENCE

THE LAST AREA OF NEW REQUIREMENTS I WANT TO MENTION TODAY IS COUNTERINTELLIGENCE. DESPITE RECENT ENCOURAGING DEVELOPMENTS IN THE USSR AND IMPROVED US-SOVIET RELATIONS, AN EFFECTIVE AND COMPREHENSIVE COUNTERINTELLIGENCE PROGRAM HAS NEVER BEEN MORE IMPORTANT TO OUR NATION. SINCE GORBACHEV'S ACCESSION TO POWER, THE HOSTILE INTELLIGENCE THREAT AGAINST US HAS GROWN. THE NUMBER OF OPERATIONS AGAINST US HAS CERTAINLY INCREASED. OVER THE PAST THREE YEARS, WE HAVE DISCOVERED MORE PENETRATIONS OF THE U.S. DEFENSE AND INTELLIGENCE COMMUNITIES THAN AT ANY TIME IN OUR HISTORY. THE COST OF THESE COMPROMISES ARE ESTIMATED IN THE BILLIONS OF DOLLARS. ALTHOUGH MANY COUNTRIES ENGAGE IN INTELLIGENCE OPERATIONS AGAINST THE UNITED STATES, THE SOVIET INTELLIGENCE SERVICES, THE KGB AND GRU, REPRESENT BY FAR THE MOST SIGNIFICANT INTELLIGENCE THREAT IN



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TERMS OF SIZE, ABILITY AND INTENT TO ACT AGAINST U.S. INTERESTS, BOTH AT HOME AND ABROAD. AND DESPITE SOVIET GLASNOST AND PERESTROIKA, WE ACTUALLY HAVE SEEN AN INCREASE THIS YEAR OF SOVIET ATTEMPTS TO RECRUIT U.S. SOURCES.

AN EFFECTIVE COUNTERINTELLIGENCE PROGRAM REQUIRES VIGILANCE ON BOTH THE DEFENSIVE AND OFFENSIVE FRONTS. FIRST, WE MUST PROTECT SENSITIVE INFORMATION, TECHNOLOGY, EQUIPMENT AND PERSONNEL. SECOND, WE MUST DETECT, MONITOR AND COUNTER THE ACTIONS OF HOSTILE INTELLIGENCE SERVICES. AS THE SOVIET BLOC INTELLIGENCE SERVICES BECOME MORE SOPHISTICATED, OUR COUNTERINTELLIGENCE MEASURES MUST GROW CORRESPONDINGLY STRONGER. RECENT CASES ALSO POINT TO THE IMPORTANCE OF TENACITY AND OF CLOSE COOPERATION AMONG THE VARIOUS AGENCIES WITHIN THE INTELLIGENCE COMMUNITY. I BELIEVE IN THIS REGARD THAT THE CHOICE OF VLADIMIR KRYUCHKOV AS CHAIRMAN OF THE KGB LIKELY WILL MEAN A REDOUBLING OF SOVIET INTELLIGENCE EFFORTS AGAINST THE UNITED STATES AND ITS ALLIES. COUNTERING THIS CHALLENGE WILL BE ONE OF OUR MOST DIFFICULT REQUIREMENTS IN THE FUTURE.

## CONCLUSION

THE CHANGES THAT ARE UNDERWAY IN THE SOVIET UNION, BOTH IN ITS INTERNAL POLICIES AND IN ITS FOREIGN AND NATIONAL SECURITY POLICIES, POSE FORMIDABLE NEW REQUIREMENTS FOR AMERICAN



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INTELLIGENCE. FROM WEAPONS RESEARCH AND DEVELOPMENT, MILITARY PROGRAMS, ARMS CONTROL MONITORING RESPONSIBILITIES, TO TRACKING AND FORECASTING INTERNAL POLITICAL AND ECONOMIC DEVELOPMENTS AND FOREIGN POLICY INITIATIVES, OUR WORK ON THE SOVIET UNION IS BECOMING MORE COMPLEX AND MORE CHALLENGING. IT ALSO WILL COST MORE. IN AN ERA OF AGAIN CONSTRAINED SPENDING FOR DEFENSE AND INTELLIGENCE,FINDING THE RESOURCES TO MEET THE RESPONSIBILITIES IMPOSED UPON US BY THE NEEDS OF THE NATION AND THE REQUIREMENTS OF ITS LEADERS IS DAUNTING. AND, WHILE THE SOVIET UNION REMAINS OUR PRINCIPAL ADVERSARY, WE CANNOT NEGLECT SUCH MAJOR PROBLEMS AS CHEMICAL AND BIOLOGICAL WEAPONS PROLIFERATION AMONG MANY OTHER COUNTRIES OF THE WORLD, THE PROLIFERATION OF MISSILE TECHNOLOGIES, OUR RESPONSIBILITY FOR CONTINUING AND IMPROVING OUR EFFORTS TO HELP THE NATION'S COUNTERNARCOTICS PROGRAM, COPING WITH TERRORISM, DEVELOPMENTS IN THE THIRD WORLD, AND A HOST OF OTHER PROBLEMS.

WHERE WILL THE MONEY COME FROM? PEOPLE POINT TO THE INCREASE IN RESOURCES AVAILABLE TO US IN RECENT YEARS. A SUBSTANTIAL PORTION OF THOSE RESOURCES WERE REQUIRED SIMPLY TO RECOVER FROM THE DRAWDOWNS IN OUR CAPABILTIES IN THE 1970S, A TIME WHEN U.S. INTELLIGENCE LOST SOME FIFTY PERCENT OF ITS PEOPLE AND FORTY PERCENT OF ITS SPENDING POWER. WE HAVE REBUILT SUBSTANTIAL CAPABILITIES, BUT THE REQUIREMENTS ON US HAVE GROWN EXPLOSIVELY.



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THERE ARE NEW INITIATIVES UNDERWAY TO EXPAND OUR CAPABILITIES, BUT THE EXECUTIVE AND LEGISLATIVE BRANCHES MUST WORK TOGETHER TO ENSURE THAT WE ARE SIMPLY NOT PLUGGING HOLES IN THE DIKE OR DEALING WITH TODAY'S PROBLEMS BUT THAT WE ARE LOOKING AND PLANNING AHEAD FIVE, TEN, EVEN FIFTEEN YEARS TO ENSURE THAT THE RESOURCES AND CAPABILITIES WE WILL NEED TO RESPOND TO THE REQUIREMENTS OF THE LATE 1990S ARE AVAILABLE WHEN WE NEED THEM. AS WALTER LIPPMAN SAID, "WE MUST PLANT TREES WE MAY NEVER GET TO SIT UNDER."

IN RECOUNTING THE INTELLIGENCE CHALLENGES POSED BY DEVELOPMENTS IN THE SOVIET UNION, I HAVE NOT INTENDED TO COST YOU A NIGHT'S SLEEP BY WARNING OF A PANOPLY OF THINGS THAT GO BUMP IN THE NIGHT. RATHER, MY PURPOSE HAS BEEN TO REMIND YOU THAT BEHIND THE HEADLINES ARE BOTH ENDURING CHALLENGES AND A WHOLE RANGE OF NEW ONES THAT WE MUST RECOGNIZE AND DEAL WITH. THE NATURE OF THE CHALLENGE WAS PERHAPS BEST DESCRIBED BY DEAN ACHESON IN A SPEECH IN 1946. HE SAID, "OUR NAME FOR PROBLEMS IS SIGNIFICANT. WE CALL THEM HEADACHES. YOU TAKE AN ASPIRIN AND THEY ARE GONE. THE PAINS ABOUT WHICH WE ARE TALKING ARE NOT LIKE THAT. THEY WILL STAY WITH US UNTIL DEATH. WE HAVE GOT TO UNDERSTAND THAT ALL OUR LIVES THE DANGER, THE UNCERTAINTY, THE NEED FOR ALERTNESS, FOR EFFORT, FOR DISCIPLINE WILL BE UPON US. THIS IS NEW TO US. IT WILL BE HARD FOR US."



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AN ENDURING RELAXATION OF TENSIONS AND STRATEGIC STABILITY CAN BE ACHIEVED AND SUSTAINED ONLY BY A REALISTIC AWARENESS -- AN OPEN MINDED AWARENESS -- OF DEVELOPMENTS IN THE SOVIET UNION AND THE OPPORTUNITIES AND CHALLENGES THEY POSE FOR THIS NATION AND ITS GOVERNMENT. THE ABILITY OF OUR INTELLIGENCE SERVICES TO CONTRIBUTE TO THIS AWARENESS, TO LEND PERSPECTIVE, TO INFORM RELIABLY AND WITH INSIGHT, WILL DEPEND IMPORTANTLY ON THE WORK OF THE MANY EXPERTS -- SCHOLARS, RESEARCHERS AND ACADEMICIANS -- REPRESENTED AT THIS CONFERENCE. WITH MIKHAIL GORBACHEV AT THE HELM, WE ALL HAVE OUR WORK CUT OUT FOR US.



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